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Denounces Republican Plan to Privatize Medicare

Washington, DC – Rep. Ben Ray Luján highlighted the benefits for seniors of the health insurance reform legislation that Congress is considering. Health insurance reform will strengthen Medicare, close the “donut hole” to help lower prescription drug prices, and expand home- and community-based services.

“When I was younger, my grandparents moved into our home so my parents could take care of them, as they took care of us,” said Rep. Luján. “I saw firsthand the need for better services for our seniors, and I’m encouraged by the benefits seniors will receive under health insurance reform legislation. In stark contrast to the plans put forward by Republicans, health insurance reform will strengthen Medicare and make prescription drugs more affordable.”

Health insurance reform benefits seniors:

- Protects Medicare benefits and extends the solvency of the program for almost a decade by cutting waste, fraud, and abuse but never benefits
- Targets overpayments to insurance companies that are robbing the system of funds that could be used to improve benefits for everyone
- Provides a \$250 rebate for Medicare beneficiaries who fall into the “donut hole” when purchasing prescription drugs
- Improves the quality and coordination of care for seniors
- Requires Medicare and insurance companies to provide important preventive services without additional payments

The Republican Plan for Medicare and Seniors:

In contrast, the recent Republican budget proposal would privatize Medicare, ending traditional Medicare and forcing seniors to use vouchers to pay for private insurance. According to the Republican plan, the value of the vouchers would not keep up with rising medical costs, forcing seniors to ration care.

According to the nonpartisan Congressional Budget Office (CBO), the vouchers would be “indexed to grow at a rate halfway between the general inflation rate, as measured by the consumer price index for all urban consumers (CPI-U), and the rate of price inflation for medical care, as measured by the consumer price index for medical care (CPI-M).” This means that the vouchers “would increase at an average annual rate of 2.7 percent for the next 75 years, in comparison with the average annual growth rate of nearly 5 percent that CBO expects for per capita national spending for health care under current law.” Simply put, cost of care would increase while benefits would decrease.

“While I am fighting to protect Medicare for generations, Republicans are putting forward plans to destroy Medicare,” said Rep. Luján. “Medicare provides an invaluable service to our seniors, and we must look for ways to protect it and provide peace of mind for our seniors. We must continue to strengthen Medicare and fight efforts to cut Medicare for seniors.”

[Read the CBO report on the Republican plan to ration and cut Medicare.](#)